



# ACW

AIR CARGO WEEK

## DAILY NEWS



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The doors have opened at transport logistic and air cargo Southeast Asia, with more than 5000 visitors expected to attend the inaugural event in Singapore.

Speaking at the opening ceremony, Michael Wilton, Managing Director and CEO of Messe Munchen International Asia, Alvin Tan, Singapore's Minister of State for Culture, Community and Youth, and Oliver Luksic, Parliamentary State Secretary to the Federal Minister for Digital and Transport, welcomed attendees.

"These two shows have consistently provided vital meeting places for logistics, cargo supply chain and distribution professionals around the world," Wilson highlighted.

"Southeast Asia has a myriad of unique and constantly evolving challenges that places supply chains and distribution networks under stress," he added. "Over the next three days, solutions will be found, challenges will be met, networks will be

grown and knowledge will be shared."

"The transport and logistics sector has played an integral role in Singapore's development," Minister Tam stated. "We invite you to join us on our next voyage, which will test our resilience and present new opportunities."

Secretary Luksic, highlighting the significance of trade between Europe and Singapore, pointed to the potential digitalisation can have in leading to greater efficiency, more sustainable operations and improved reliability.

"Digitalisation is one of the keys to the future of logistics worldwide," Secretary Luksic explained. "Everyone involved in transport of cargo will benefit, in particular those involved in transatlantic trade."

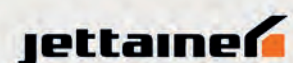
"That's why trade shows and events like this are so important," he continued. "We can see innovations, while also getting to know people, finding new partners for dialogue and cooperation."

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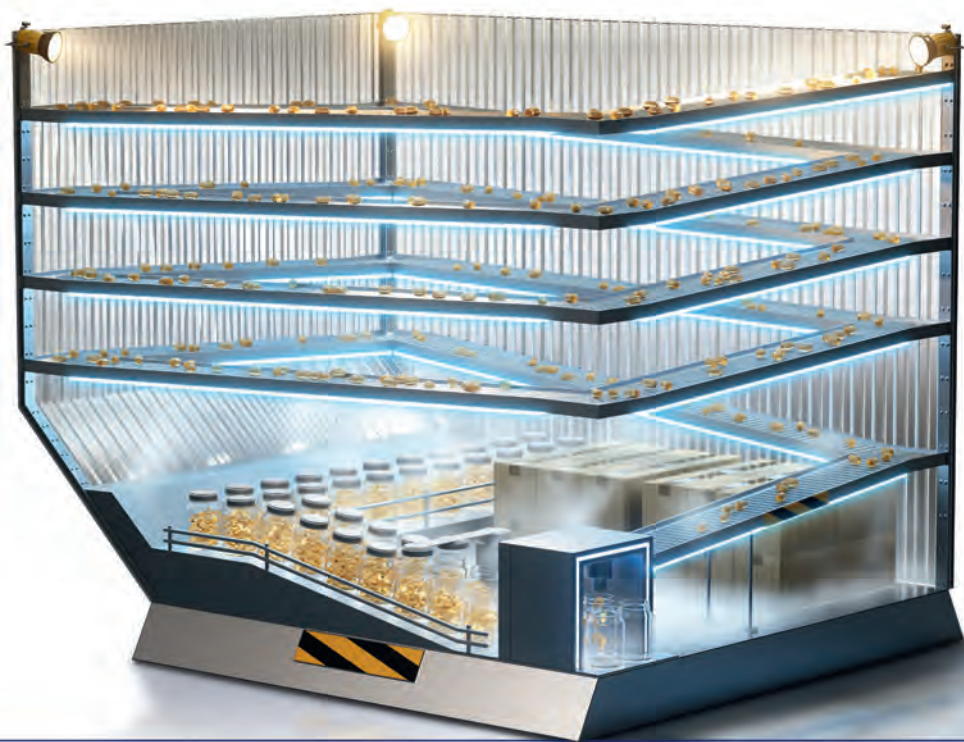
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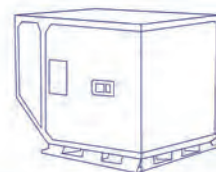


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**R**henus Group is extending its expertise in perishable cargo logistics to better support Greater China and Asia, tapping on the region's growing demand for fresh products. The company will set up a team of experts, as part of Rhenus Fresh, to manage the transportation of fresh cargo between Greater China, Europe and LATAM, in particular Chile.

Rhenus Chile's major trade with Asia for fresh perishables highlights the increasing market demand, particularly for fruits shipped to China and meat to Hong Kong via air freight. Notably, Chile holds a pioneering status in global salmon exports to China. This diverse range of perishable exports showcases the versatility and strategic approach of Rhenus to catering to various international markets.

Greater China is a major import destination for fresh products. According to Seabury's data, in 2022, the import volume of fresh goods via air freight in Greater China stood at 528,629 tons, far exceeding the export volume of 13,483 tons. Key countries of import include Thailand, the United States, Spain, France, Italy, Australia, the Netherlands and Norway.

Rhenus Greater China will provide specialised support through time-critical and temperature-controlled services for fresh and frozen produce transportation. Key trade lanes will include China to Europe, LATAM as well as China to the rest of Asia, and vice versa.

"As a leading logistics provider, we recognise the immense potential and opportunities within this sector of fresh and perishable goods. With our extensive global network and the expertise of our specialised team for fresh goods in North-West Europe, we will be able to seamlessly handle the transportation of perishable cargo on a global scale," says Cliff Xu, CEO of Rhenus Air & Ocean, Greater China

# Rhenus Group expands logistics services into Greater China



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# CargoAi adds four new origins



CargoAi has added four new origins under its embedded CargoWALLET solution, allowing customers to now import air bookings from these new countries.

This addition contributes to CargoAi's mission to accelerate the digital transformation of the industry without requiring customers to invest in major technological innovations.

"No more waiting from your export or import partner. Get instant booking confirmation on CargoMART on the best and transparent pricing from our network of wholeseller partners" CargoAi announced, as it added Canada, Hong Kong, Singapore and South Korea to its embedded CargoWALLET offering.

The new countries join the USA, Netherlands, France, Germany and Japan on the embedded payment solution, enabling forwarders to reap the benefit of CargoWALLET right inside of their preferred booking platform.



## Singapore capitalises on cargo

**S**ingapore Airlines (SIA) Cargo has built a strong foundation in recent years, reflected in its recent financial results, which showed cargo revenue has contributed 20% of the airline group's total revenue.

While cargo revenue dipped, as demand for airfreight moderated with the post-pandemic easing of supply chains, macroeconomic headwinds, softer consumer demand and high inventory levels, it was still 83% above SIA's pre-Covid level and the second highest annual cargo revenue in the group's history.

The root of SIA Cargo's success lies in its people, who have ensured that the airline's growth and development in air cargo are underpinned by sound industry expertise. The airline is fully committed to safety, the quality and reliability of its operations, innovation and adaptation as the industry and supply chain ecosystem evolve.

"Our working relationship and collaboration with partners across the supply chain have been vital to our success," Marvin Tan, Senior Vice President of Cargo at Singapore Airlines, said. "These partners include our cargo handling partners like SATS, the freight forwarders and integrators we work closely with, our interlining carrier partners and other critical stakeholders like airports and ground transportation providers."

### e-commerce opportunity

To tap into the fast-growing e-commerce segment, SIA has launched Parxl, its blockchain-based e-commerce logistics platform.

Parxl is aimed at the international shipping needs of e-tailers by offering a seamless and fast cross-border delivery experience right to the consumer's doorstep.

It also provides merchants with end-to-end visibility of shipped packages, as well as access to SIA Cargo's global airfreight network and portfolio of regional delivery specialists, while functioning as a singular touchpoint for all partners along the supply chain.

Through Parxl, SIA has effectively expanded its cargo services beyond airport-to-airport

transportation, providing a door-to-door solution to shippers and brands.

### Post-pandemic position

The recovery in the SIA Group's passenger flights also expands to its cargo network and connectivity, supporting cargo operations and business.

Managing the injection of returning capacity can be a challenge, as cargo demand across routes and carriage direction are often uneven, but the overall increase in network reach and cargo capacity is ultimately a net positive and enables the SIA Cargo team to keep working at growing the business.

Partnerships are integral to SIA Cargo's growth and help enhance connectivity and the development of important and new market segments.

As an example, SIA Cargo's collaboration with DHL Express on the new freighter operation will support the fast-growing e-commerce segment, in addition to other key express services that DHL excels in



Our working relationship and collaboration with partners across the supply chain have been vital to our success

providing, and reinforce Singapore's position as a key air cargo and e-commerce logistics hub.

"Looking ahead, we remain confident in the long-term importance and resilience of air cargo demand and are particularly encouraged by the potential of specific segments like e-commerce, pharmaceuticals and fresh produce," Tan said.



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# Navigating the future of the GSSA Industry

The General Sales and Services Agent (GSSA) sector has been undergoing an evolution in response to changing customer demands and market dynamics.

Strike Aviation is actively embracing these changes and forging a path toward the future, having identified a number of areas where the company can embrace innovation and opportunity to enhance operations.

The company is focused on three specific elements: implementing technology, to improve processes, service expansion, to meet changing requirements in the industry and strategic partnerships, to increase their global reach.

“While the air cargo industry has experienced disruptions in recent years, Strike Aviation has been able to rebound by being nimble and adaptable to the changing market conditions,” Julia Knecht-Ostwaldt, COO Europe, at Strike Aviation, said.

“We have focused on building strong relationships with our clients and partners, investing in new technologies and processes, and leveraging our expertise to navigate the challenges.”

## Asian interest

Heading to air cargo Southeast Asia, while it currently has no footprint in the market, Strike Aviation is actively exploring opportunities to expand its presence there, recognizing the region’s potential for growth and development.

Strike Aviation has been diversifying its operations by expanding service offerings beyond traditional GSSA and investing in new technologies to improve its processes.

“We have seen a trend towards e-commerce, increased demand for time-sensitive shipments, and an emphasis on sustainable supply chain practices,” Knecht-Ostwaldt highlighted, citing the types of cargo customers are looking for companies to handle.

“We have also been actively seeking strategic partnerships and alliances to strengthen our international network.”

## Emerging model

Looking at the changing expectations from their clients, Strike Aviation explained how the most crucial elements of the emerging GSSA models include: the ability to provide flexible and customized solutions; leveraging technological solutions; adopting sustainable practices.

“Strike Aviation is well-positioned to lead this evolution by leveraging our expertise and adapting to changing market conditions,” Knecht-Ostwaldt said.

“Strike Aviation utilises advanced technology and data analytics to optimise our GSSA operations in the region,” Knecht-Ostwaldt explained. “By leveraging data insights, we can make informed decisions, improve service quality, and drive operational efficiency.”

At Strike Aviation, sustainability is a key part of the company’s thinking, and they are committed to incorporating sustainable practices into our operations.

“We are actively working towards reducing our environmental impact, being the first GSSA in the TIACA Blue Sky Program, waste separation, E-Car, Offer to staff E-Bikes,” Knecht-Ostwaldt said. “Try to work as paperless as possible. Planting a tree with Plant for the Planet for every shipment booked with us.”

## Meeting your needs

Strike Aviation’s key message heading into air cargo Southeast Asia is centred around innovative and customised solutions tailored to meet the unique needs of clients.

“The airfreight market is expected to continue to grow through 2023, with increasing demand for e-commerce and time-sensitive shipments,” Knecht-Ostwaldt said. “We see significant opportunities for Strike Aviation to leverage our expertise and technology to capture this growth.”

As the market heads into 2024, Strike Aviation expects to see increased competition and the need to adopt more sustainable practices to meet changing customer expectations.

“Strike Aviation will continue to prioritize innovation, customized solutions, and sustainability to remain ahead in the market,” Knecht-Ostwaldt stated.

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# Airfreight's digital development



**W**ith the airfreight industry increasingly embracing innovation, CargoTech has positioned itself as one-stop shop for digital solutions and technological development.

Since its launch just 1.5 years ago, the company has seen remarkable growth and expansion, attracting five prominent partners, each headed by renowned industry specialists: CargoAi, Wiremind Cargo, Rotate, ECS Group's Cargo Digital Factory, and more recently, CharterSync.

With the backing of these partnerships, the CargoTech companies have developed 10+ different products, some of them already became "best-sellers" in the industry, including: Wiremind Cargo's Skypallet and CargoStack Optimisation Modules, CargoAi's CargoMart and CargoConnect solutions, Rotate's Sales Cockpit and Consultancy Services.

"Digital Solutions for the Cargo Business need to be developed by tech companies that have a strong Cargo Business knowledge," Cedric Millet, President of CargoTech, said.

"This is only possible if you have at the head of these companies people from the industry itself," he continued. "There are too many tech companies that are developing digital solutions for the cargo business who do not really know what the real business processes are, or what the industry need."

## Embarking on a journey

Airlines are clearly moving faster towards their digital transformation, as they look for revenue optimisation solutions that will help them boost their bottom line.

CargoTech started seeing that as of mid-2022, when the cargo revenues were still very high. Cargo revenues are now decreasing very fast, and airlines need to focus even more on adopting digital solutions that would boost their revenue generation, or optimisation.

"It would be a big mistake if they stopped investing to cut costs. Delaying the investments would be a short-sighted strategy," Millet explained. "I would say it is now or never, but they need to invest in the best and most relevant solutions: I believe that these are the ones CargoTech provides."

"I don't believe it is a matter of geography. It has to do with the level of maturity of the industry player you are talking to," he continued. "The heavyweight of cargo are massively investing in Digital Solutions. You can see Qatar Airways Cargo every week in the news with their latest technology initiatives."

## Positive disruption

All solutions developed by CargoTech are designed to increase visibility, productivity, and to optimize revenues. Millet offered a series of examples where products provided by CargoTech members have benefited the industry.

Rates are going down due to the imbalance of supply & demand combined with a war to increase market share within the forwarders community: CargoTech offers revenue optimisation solutions, including Rotate's Sales Cockpit, Wiremind Cargo's Skypallet or CargoStack optimization Modules.

Resources are becoming scarce, or do not want to join the cargo industry because it's a lot of manual and time consuming work: Cargotech offers solutions that increase productivity, and digitalises the manual, time-consuming and non-revenue generating activities, such as CargoAi's CargoMart & CargoConnect solutions, CharterSync App for charter requests.

## Industry adoption

The airfreight industry has seen that a lot of new technology providers have come to the market, acknowledging that as a positive development.

"We see that all players, small or large, with different maturities are coming to the party," Millet said. "Digitalisation is not a trend, it is a must."

"If some of the industry players do not adapt: best case scenario is that they will lose all the benefits gained during covid. Worst case scenario is that they will disappear."

Heading to air cargo Southeast Asia, Millet is clear that there is no harm in trying the digital solutions offered to the industry.

"They are easy to adopt and to integrate into your day-to-day processes, without the need to go through an "open heart surgery" with your current Cargo Management System," Millet explained.

"These are modules that complement your systems, and which add value for better decision making and steering, leading to increased revenues," he added. "Why would you be hesitant optimize your revenues in the current environment?"



# Meeting Southeast Asia's evolving logistical demands

Challenge Group is expanding its operations in Southeast Asia to meet the increasing demand for efficient and reliable logistics services in the region.

The airfreight operations in Southeast Asia are centred around scheduled services to key destinations like China (CGO and NGB) and Hong Kong (HKG), but the company's scope extends beyond these locations.

"We operate charter flights to various other destinations within Southeast Asia based on customer demand, such as the Indian Subcontinent, Philippines, Cambodia, and Vietnam," Or Zak's Challenge Group's CCO, stated.

The importance of the Southeast Asian market is growing rapidly for Challenge Group, primarily due to evolving trade dynamics. With low-value production shifting from China to countries like India and Vietnam, the carrier has acknowledged the need to adapt.

"Our activity out of China is currently based on e-commerce demand, which makes up 30% of our business at Liège Airport and saw 10% year-on-year growth in 2022," Zak emphasised.

Challenge's end-to-end solutions enable its customers to engage with one single source – instead of multiple supply chain stakeholders.

"This makes us the perfect strategic partner for e-commerce in the region," Zak continued.

## Serving Southeast Asia

Challenge Group's airfreight services are anchored at several key airports in Southeast Asia, including Zhengzhou Xinzheng International Airport and Ningbo Lishe International Airport in China, and Hong Kong International Airport.

Zak also cited how the company operates charter flights to other destinations in the region, such as The Philippines, Vietnam, Cambodia, and will soon extend to Chhatrapati Shivaji Maharaj International Airport in India.

Outlining the diverse range of cargo types commonly transported by Challenge Group's

services in Southeast Asia, Zak highlighted how the airline is ready to carry e-commerce, garments, capital equipment, semiconductors, engines, live animals, and perishables.

"This diverse range of core verticals not only reflects our agility and capability to cater to various industries and sectors, but also our significant local expertise which enables us to promptly address the specific logistical needs of our customers across Southeast Asia," Zak



added.

## Enhancing operations together

Strategic partnerships play a crucial role in enhancing Challenge Group's airfreight operations.

Zak pointed out, "We have numerous interline partners, particularly in Hong Kong. These partnerships facilitate seamless connections for inbound and outbound airfreight traffic within the Asia Pacific and Australasia regions."

Challenge Group believes that a customer-centric approach and a close collaboration with interline partners are paramount.

"Understanding customer preferences and

deadlines allows us to tailor our route planning to ensure timely deliveries," he continued. "By synchronising our schedules with those of our interline partners, we create efficient and interconnected routes, optimising transit times and reducing delays."

## Improving supply chain systems

Advanced technologies and systems drive visibility throughout Challenge Group's supply chain in Southeast Asia.

The integration of their ERP system with major e-commerce players' systems has streamlined data flow and coordination. This integration not only optimises internal operations but also offers customers high visibility into their parcels' journey, enhancing their overall experience and confidence in the supply chain process.

Addressing disruptions like weather events and geopolitical issues, Challenge Group explained, "We manage disruptions through operational flexibility and a versatile fleet configuration. This empowers us to address a wide range of disruptions swiftly and effectively."

## Leveraging locations

Looking ahead, Challenge Group aims to enhance its market presence, leverage its hub in Hong Kong, and expand its operational footprint by opening new destinations.

This involves increasing brand visibility, customer engagement, and market penetration to consolidate its regional position.

"We are also planning to leverage our strategic regional office in Hong Kong as a hub for operations," Zak shared. "This hub will facilitate efficient coordination and connectivity throughout the Asia Pacific region. Finally, we're looking at expanding our operational footprint by opening new airfreight destinations."

"The first of these new destinations will likely be in India, as part of our ongoing growth strategy."



# Fast Flights to Success





# Speedy solutions a strategic location

Emirates SkyCargo, the cargo arm of the world's largest international airline, boasts a proud reputation as a facilitator for global trade. With a vast network of over 140 destinations across six continents, the airline connects goods to all corners of the world.

"With every new and unique destination added to our network,

we improve trade flows and generate new, reciprocal business opportunities that help strengthen global economies," Emirates SkyCargo Divisional Senior Vice President Nabil Sultan said.

Delivering a freight capacity of over 2.3 million tonnes per annum, the airline's Dubai hub provides customers with two world-class cargo terminals to ensure their goods arrive at their destination smoothly and safely.

With extensive cool chain capacity, including the world's largest EU GDP-certified pharmaceutical hub, Emirates SkyCargo is able to transport even the most sensitive of cargo safely and reliably.

"Harnessing the insight of our experts and customers, we have developed tailor-made solutions for highly specialised transportation needs, assuring our customers that their cargo will be handled with purpose-fit attention throughout its journey," Sultan added.

"With highly specialised solutions and state-of-the-art facilities in Dubai, we have a proven track record of transporting even the most sensitive cargo quickly, efficiently and reliably."

## Importance of Asia

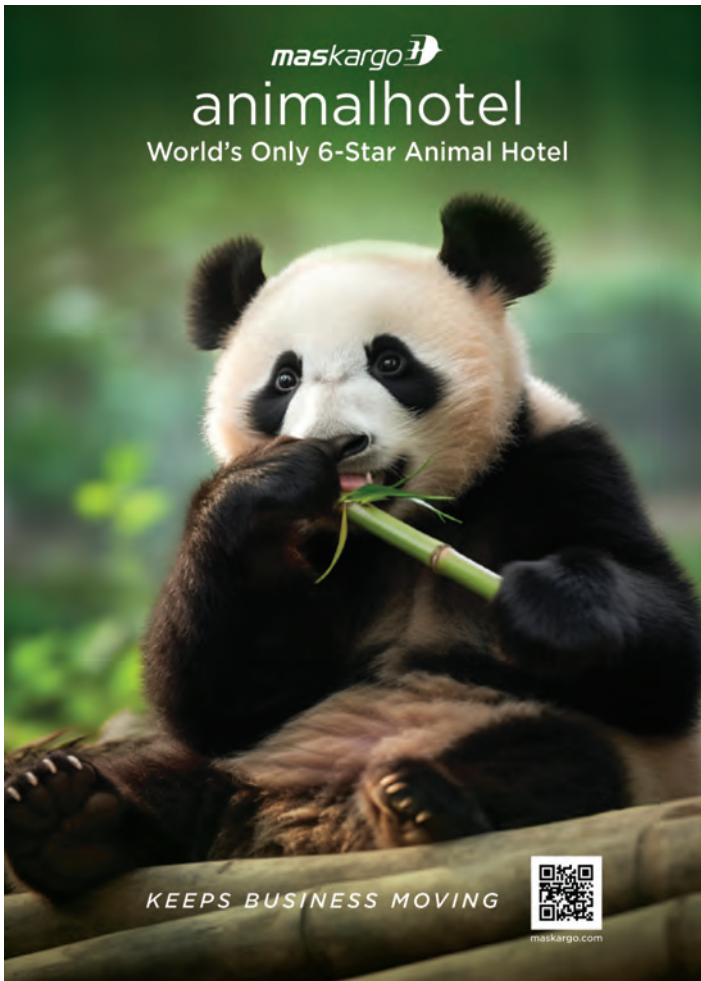
Southeast Asia holds immense significance for Emirates SkyCargo. Over 30 years, the airline has connected manufacturers, traders, and exporters in Southeast Asia with businesses worldwide.


With 71 dedicated weekly freighters and the utilisation of passenger flight belly-hold capacity, Emirates SkyCargo offers flexibility, choice, and service across its fleet of 777s, 777-Fs, 747-Fs, A350s, and A380s. On average, the carrier moves 6,000 tonnes of cargo every week; from electronics and smart phones from China, knitted fabric from Taiwan, fresh fruit and vegetables from Vietnam, machine and automobile spare parts from Japan to pharmaceuticals from Singapore and valuables from Hong Kong.

"Southeast Asia will remain a priority market for us. We are continually assessing opportunities to scale our operations where it strategically serves us and better supports our global customers," Sultan explained

## e-commerce expansion

Demand for e-commerce has been on an upward trend globally, which was further accelerated by the pandemic. Management consultancy McKinsey reports that the total value of Southeast Asia's e-commerce




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sales grew by 40% between 2016 and 2021 and predicts that this will continue to increase significantly.

Given the speed of fulfilment that consumers expect, demand for air transport will form the backbone of cross-border transportation, with IATA estimating that e-commerce shipments already account for between 18 and 20% of airfreight shipments.

“As the cargo arm of the world’s largest international airline, we harness Emirates’ global network and schedule of multiple daily flights on wide-body passenger planes to provide efficient international delivery, to, from and across Southeast Asia,” Sultan highlighted.

e-commerce has also altered shopping behaviour, with manufacturers aiming to get new products on the shelves, both physical and digital, on a weekly basis, rather than the previous monthly product cycle.

“Another opportunity we are exploring is creating long-term contracts with manufacturers to ensure they are able to refresh and renew their inventory in a reliable and consistent way.”

## Resilience and recovery

The airfreight market is cyclical and over the decades, Emirates has seen peaks and troughs, driven by macroeconomic and geopolitical issues. However, it is important to look at the big picture and ensure short term blips do not negatively impact the medium or long term.

“We are confident in the long term growth of the global market and airfreight’s essential role in keeping goods moving,” Sultan highlighted.

“We are committed to Southeast Asia and have steadily increased our operations over the years, with additional freighters and capacity on passenger planes to continue meeting customer demand.”

Throughout the pandemic, Emirates SkyCargo had the responsibility of connecting people and businesses across the world with the goods they urgently needed. As a global carrier, the airline helped keep trade flowing, serving as a global conveyor belt during difficult times.”

“While the industry is still recovering, we are outpacing the market growth and seeing consistently strong load factors to and from Southeast Asia. In cases where traditional air cargo commodities are still recovering or experiencing a dip in demand, we are introducing new industries, such as e-commerce,” Sultan stated.

“Our offering remains in demand, with longstanding and new customers valuing our innovative product portfolio, extensive global

network and world-class capabilities.”

## Air advantage

Where speed and time to market is critical, airfreight is the most viable transportation for the global supply chain.

Airfreight is key to transporting fresh fruit and vegetables from farms in one part of the world to shops on another continent in as little as 24-48 hours or ensuring manufacturers are able to replenish and refresh stock efficiently.

Geographically, Dubai sits at the centre of the world, long serving as a gateway connecting East and West. Emirates SkyCargo has built on the advantages of its location to become one of the world’s leading business hubs. Offering modern infrastructure, progressive policies and robust international diplomatic relations, the city attracts organisations with a growth and future-ready mindset, to become the new epicentre for global trade.

“From our hub, we are able to reach two thirds of the world’s population within eight hours of flight, meaning Emirates SkyCargo is well positioned to serve as a leading logistics partner for facilitating the world’s rapidly changing supply chain needs,” Sultan said. This is particularly relevant for e-commerce, where consumers expect quick delivery, even cross-border.”

## Keeping tabs on key trends

Looking ahead, Emirates SkyCargo is ready for the evolving global supply chains, with manufacturers diversifying production hubs to reduce reliance on a single source market.

Other countries across Southeast Asia stand to benefit from this strategy, with Vietnam, Thailand and Malaysia offering attractive investment incentives. As such, Southeast Asia will remain a key player in global manufacturing, serving as the factory of the world for the foreseeable future.”

“Given our longstanding relationships and in-depth market experience, we are well placed to support these shifts in the global supply chains. As part of our extensive network, we offer connections in primary, secondary and tertiary markets across Southeast Asia, enabling us to transport our customers’ cargo where it needs to go, quickly and efficiently,” Sultan added.

# Elevating Asia's

Jettainer has established a prominent presence in the region, catering to the unique needs and demands of airlines and airports across the Asia Pacific.

The Asia Pacific region presents both promise and complexity for Jettainer's ULD management services, with Thomas Sonntag, CEO of Jettainer, emphasising the diversity of the region in terms of countries, cultures, and aspects.

"What sets the Asia Pacific region apart? A significant number of airlines within this region prefer in-house ULD management," Sonntag said. "While ULDs are not part of the airlines' core business, they are undeniably pivotal in ensuring faultless service to their customers.

"A consistent ULD supply is the backbone of reliable baggage and cargo transport," he explained. "Given the vast size and diversity of the Asia Pacific region, airlines are naturally more likely to entrust their ULD management to those who are close to them, who have earned their trust, demonstrated unwavering service reliability, and consistently exceeded expectations."

## Tailored approach

While airlines across the Asia Pacific face similar challenges such as rising costs and sustainability pressures, the region's airlines have a significant preference for in-house ULD management.



Sonntag explained that the economic benefits of outsourcing are important, but trust and strong relationships are the foundation of successful partnerships. "We are strong advocates of the benefits of outsourcing ULD management in this region. The cost-effectiveness of our solution - while service quality remains at its peak - can be normally quickly demonstrated."

Jettainer's commitment to understanding regional nuances and its focus on building regional ULD expertise contribute to a tailored approach that meets the unique needs of

clients.

"At the heart of our operations and partnerships is the human touch that sets us apart," Sonntag said. "Our strength is our dedicated team, with for example Edward Neo based in Singapore and Stella Wang based in Hong Kong. We are investing more in these and other locations to build up gateways of our regional operations."

## Collaborative network

Jettainer's ULD operations in the Asia Pacific region cover a vast majority of airports, thanks to collaborations with key airlines. The company's partnerships with airlines like CEBU Pacific, VietJet, T'Way, and global clients like Etihad Airways, Lufthansa Group, and American Airlines allow it to serve over 100 airports in the region. These collaborations extend beyond core ULD management services to leasing solutions, repair management, and partnerships with airports and ground handling agents.

"Proximity to our market is paramount and our overarching goal is to strengthen our relationships all over Asia. By leveraging intercultural competencies, we aim to respond even more precisely to the individual needs of our clients," Sonntag emphasised.

"We are strengthening our presence not only in key gateways such as Hong Kong and Singapore, but also in other important





# ULD operations

markets," he said. "This expansion is a testament to our patience and long-term vision. In addition, our focus on regional ULD expertise ensures that we understand the nuances of networks, geography and culture, enabling us to fine-tune our ULD management to the unique needs of our clients."

## Technological progress

Jettainer's commitment to digitalisation and automation is a central part of its operational strategy. The development of their next-generation IT platform, JettWareNG, streamlines workflows, enhances user experience, and brings automation to a new level.

This aligns with the company's vision to provide forward-looking services to customers globally. Edward Neo, General Manager for Sales APAC at Jettainer, highlighted the role of digitalisation and AI in providing actionable insights from vast data, enabling precise ULD management decisions.

"We are proud of our dedicated teams that manage dedicated airline fleets. They ensure optimal steering decisions for each customer, drawing on their experience, their dedication – and IT support," Neo stated.

The combination of human expertise and technology allows Jettainer to ensure the efficient distribution, tracking, and balancing of ULDs across various airlines in the region,

thereby optimising cargo handling and turnaround times.

"Our IT solutions offer unparalleled transparency and tracking capabilities, processing status, location, and movement data. This way we create transparency and visibility for all parties involved," Neo explained.

Where beneficial, Jettainer equips its ULDs with Bluetooth Low Energy (BLE) tags. With the expansion of the reader infrastructure also beyond airports, this technology becomes more efficient and has the potential to enhance its already high-quality data with additional information.

## Reliable and safe strategy

Jettainer's approach to ULD maintenance, repair, and replacement combines expert partnerships with cutting-edge technology. The company collaborates with a network of specialised repair partners, a significant portion of which are based in the Asia Pacific region.

"This strategic approach underpins our ambitious growth trajectory in Asia Pacific. We see the region as the hub of future opportunities. Getting there will require perseverance, but the market can be assured of our steadfast presence and unwavering commitment," Neo said.

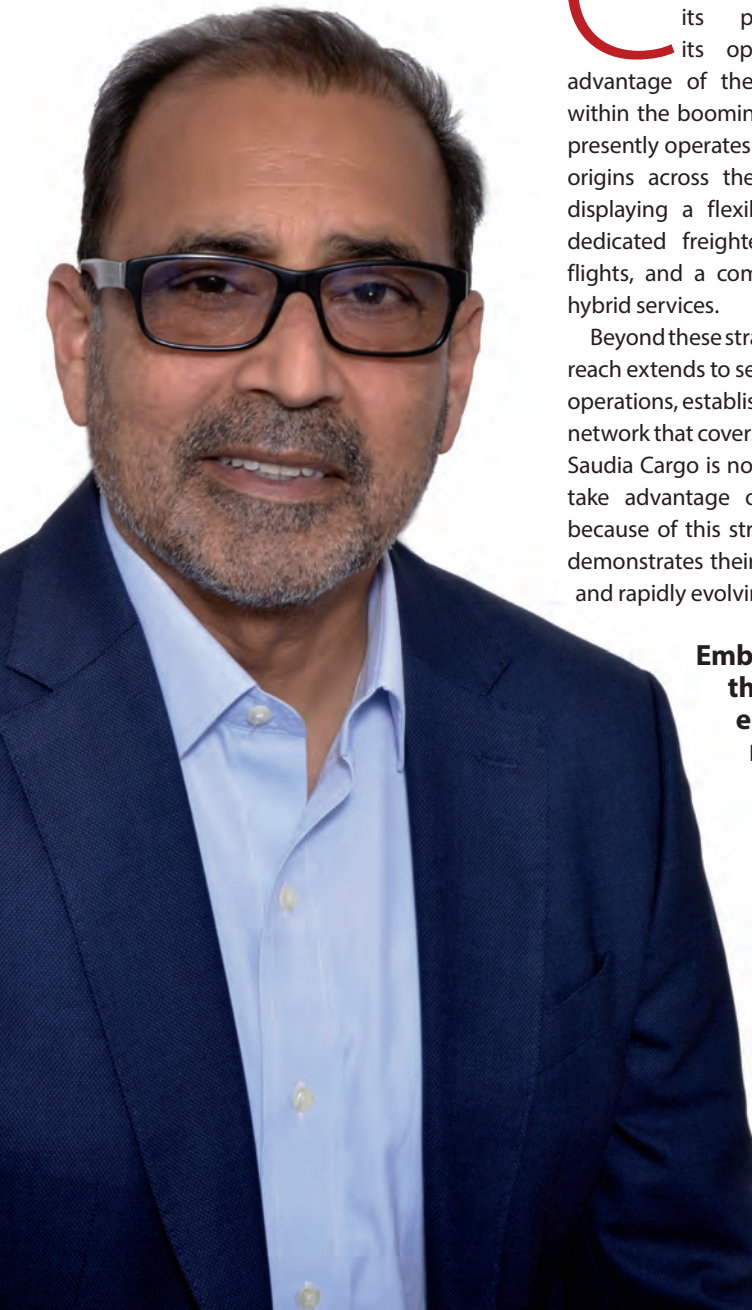
This approach reduces turnaround times

and enhances operational reliability, ultimately ensuring the safe and reliable availability of ULDs.

"Our expansive global network, spanning 500 locations, is instrumental in efficiently balancing our customers' inventory," he added. "With over 100,000 ULD units in total, we guarantee that our clients' ULDs are always strategically positioned. This vast network not only allows us to harness synergies but also facilitates cross-utilisation during peak periods, ensuring seamless operations even during unforeseen demand fluctuations."



# Saudia Cargo Expansion



Capitalising on growth in the Asian Market Saudia Cargo has set out on a strategic journey to strengthen its presence and broaden its operational reach to take advantage of the expanding opportunities within the booming Asian market. The airline presently operates out of 22 carefully selected origins across the vast geography of Asia, displaying a flexible strategy that includes dedicated freighters, wide-body passenger flights, and a combination of both through hybrid services.

Beyond these strategic points, Saudia Cargo's reach extends to seven other origins via offline operations, establishing a robust and extensive network that covers the whole Asian continent. Saudia Cargo is now in a powerful position to take advantage of the region's expansion because of this strategic decision, which also demonstrates their dedication in the dynamic and rapidly evolving Asian air cargo industry.

## Embracing Strategy for the Massive Boom in e-commerce

In the next five-seven years, the world's e-commerce market, and particularly the spike in trade from Asia, is expected to experience significant double-digit growth. The desire for increased shipping capacity that may guarantee quick and impeccable product delivery is being fuelled by the expansion strategies of both rising businesses and existing market giants.

Saudia Cargo has been actively chasing prospects in expanding markets, particularly throughout Asia, and has been carefully simplifying its business operations to facilitate the shipment of commodities and foster new supplier connections. Notably, China plays a crucial strategic role for the carrier as one of Saudi Arabia's key commercial partners.

"We acknowledge the substantial potential for establishing additional partnerships and are strategically positioned to spearhead the growing e-commerce operations that link China, Europe, and beyond," stated Vikram Vohra, Saudia Cargo's Regional Director for Asia Pacific.

"By harnessing our exceptional logistics expertise and a robust shipping fleet, we offer seamless and dependable cargo connections that bridge China with the Middle East, Africa, Europe, and the Americas," he added.

Taking a proactive stance in response to the booming e-commerce environment, Saudia Cargo is customising its upcoming schedules to harmonise with the requirements of prominent e-commerce platforms, with a focus on enhancing segment efficiencies, promoting transparency in information sharing, and reducing transit times. Recognising the swift pace of e-commerce growth, the airline has also solidified a substantial partnership with Cainiao. This collaboration has bolstered their e-commerce operations, with a total of 12 weekly flights serving as a vital link between Riyadh, Hong Kong, and Belgium. There are ongoing plans to further extend the e-commerce route network, encompassing regions across Asia and Europe.

The need for cargo transportation from Asia to Saudi Arabia and beyond is experiencing an ongoing surge. Saudia Cargo maintains a presence in all major industrial hubs throughout Asia, providing a diverse range of services that encompass both freighter and passenger options. Notably, the North Asian

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# Expanding Horizons in Asia

region, with a specific focus on Hong Kong and Greater China, stands out as a significant area for potential growth.

“We take great pride in delivering a premium service on these routes and are looking forward to an increase in flight frequencies between these two regions, which will commence in Q4 and continue throughout 2024. We will also be sharing exciting news about new freighter origins soon,” Vohra emphasised.

Furthermore, plans include enhancing frequencies in Hong Kong to accommodate the heightened demand during peak seasons.

Saudia Cargo makes the most of its substantial wide-body passenger airline network to effectively transport cargo across the greater Asian region, which presents a variety of expansion potential. Recent services have been successfully inaugurated in Beijing and Bangkok, with both routes having high cargo load factors.

“We are enthusiastic about expanding our e-commerce route network across Asia and Europe. We have recently bolstered flight frequencies to key markets such as South Korea, China, and Thailand, enhancing connectivity and accessibility to these vital regions,” stated Vohra. “Moreover, our expanded offline station at Narita International Airport (NRT) ensures a reliable and efficient air cargo solution for shipments between Japan and Saudi Arabia.”

## Global Synergy and Digitalisation to Ensure Seamless Connectivity

Saudia Cargo adopts a thorough strategy to promote effective coordination and communication throughout its vast worldwide network. Internationally, its strategically positioned commercial and operational offices manage specific business interests within their respective regions.

“Through successful organisational engagement programmes and flexibility in reaction to changing market circumstances, this ongoing flow of knowledge enables us to maintain agility. In the face of a market that is changing quickly, it also allows us to prioritise consumer requirements”, explained Vohra.

In addition, Saudia Cargo has embraced digitalisation entirely as a preventative strategy to not just meet but surpass client expectations and sustain a resilient supply chain. Saudia Cargo has achieved an extraordinary on-time performance rate of more than 90% by embracing digital transformation and cutting-

edge solutions and is glad to say that this has allowed it to meet the demands of its clients for efficiency, dependability, and on-time delivery.

“The ongoing accomplishment record of digitalising our operations fuels our enthusiasm for utilising this cutting-edge technology to further advance our business and improve our customer service,” added Vohra. “Our unwavering dedication to promoting a healthy work environment and successful organisational engagement programmes complements these strategies, creating a holistic approach to ensure seamless coordination and communication within our

global network.”

“Our advancements in collaborating with multiple online booking platforms have yielded significant results, actively promoting and offering direct online web applications via our website. We recognise the vital importance of having dependable systems and partners in a swiftly evolving world that heavily depends on technology, ensuring the delivery of the highest level of service across the entire supply chain. This assurance comes through reliable, globally recognized booking systems supported by Champ, as well as partnerships with platforms like Cargo One.”



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# Optimising Asia

Unilode has developed quite extensive operations in the Asia Pacific region, ensuring the efficient movement of air cargo throughout the region.

Two of Unilode's largest ULD management customers, namely Cathay Pacific and Korean Air, are headquartered in the Asia Pacific region, and the company has longstanding ULD management partnerships with many other APAC-based airlines, for example AirAsia X Group, Fiji Airways, JetStar Japan, Hongyuan Group, Vistara Airlines and Nepal Airlines.

Unilode's biggest ULD MRO customer in the APAC region is Singapore Airlines. Unilode has strategically expanded its presence in Asia Pacific to meet the growing demand of its ULD management and MRO customers. Its 24/7/365 Operational Control Centre is located in Bangkok and it has a customer success management and ground services team who serve its ULD management and MRO customers locally.

Its own MRO stations in the APAC region are located in Singapore, Hong Kong, Seoul, Mumbai, Sydney, Melbourne, Perth, Brisbane, Auckland and Christchurch.

"We operate several ULD short term leasing stations so we can definitely say that Unilode has a very strong presence and comprehensive network in Asia Pacific covering a wide range of ULD services, including management, leasing, maintenance and repair," Ross Marino, Unilode CEO, said.

## Primary positions

Unilode's comprehensive ULD services in APAC extend to over 120 airports and 170 ground handling agents.

By strategically positioning ULD stocks across its airline customers' networks, Unilode ensures 100% ULD availability, enabling airlines to

focus on their core operations without worrying about ULD supply.

Unilode's flexible and customer-focused ULD solutions allow it and its customers to quickly adapt to market changes everywhere in the world. "We are pleased to see the post-pandemic recovery of our ULD management and MRO customers and support their growth with our ULD solutions," Marino stated.

"We are happy to announce a new ULD management customer,



which is a start-up airline based in Indonesia, with an ambitious growth plan in the next few years."

Raindo United Services is the third Asian start-up carrier, after Thailand-based Budget Lines Cargo and Uzbekistan-based My Freighter, that Unilode has secured in the past few months. In addition, it has strengthened its partnership with Thai Airways with tailor-made short-term ULD solutions to support their fast recovery, looking





# h ULD operations

forward to playing an important role in enabling their expansion and success in the air cargo market.

## Ensuring efficiency

Unilode leverages cutting-edge technologies to enhance its ULD management value proposition and provide a digital ULD fleet to its customers.

“We ensure real-time visibility into the location and status of ULDs that can reduce operational complexities, the risk of ULD losses and costs,” Marino highlighted. “Our ULD management customers enjoy the benefits of having access to the world’s largest fleet of over 160,000 ULDs that helps prevent imbalances in our airline customers’ networks.”

“Our ULD pooling solutions optimise ULD utilisation and even though airlines may have different needs depending on their route network, seasonal demands, aircraft and cargo types, we are able to adapt our services accordingly at very short notice,” Marino added.

Unilode operates ULD maintenance and repair centres, which are strategically located in the Asia Pacific region, especially in its ULD management airline customers’ hubs. These MRO stations help reduce turnaround times and carbon emission as airlines don’t need to fly damaged equipment back to other stations in their network and they always have serviceable ULDs at their disposal. The synergies of its pooling network also optimise operations as airlines share the assets of its R7 and R9 ULD fleets.

## Real-time connection

Unilode is committed to continuous improvement in its ULD management processes. Based on its airline partners’ feedback,

they constantly improve their systems and processes to optimise operations.

“We use our own customised ULD management software to monitor and manage ULDs in real-time across airports and have up-to-date information on all relevant parameters,” Marino said. “Our software provides us with real-time data, reports, alerts and dashboards to effectively manage more than 160,000 ULDs in our network of over 550 airports for more than 50 airlines around the world.”

## Logistical improvements

Digitalisation has a massive impact on Unilode’s ULD management capabilities as it creates tangible business value for Unilode and its customers in its global network.

“We see a reduction of more than 50% in unreported and lost ULDs, which decreases capital expenditure investments and improves ULD utilisation,” Marino said.

“There are also significant logistical improvements as digitalisation greatly improves visibility on ULD location, dwell/turn-around time and network buffer stock, actual ULD availability for cargo build-up, ULD damages or on-loan days to name a few. This enables targeted continuous improvements in these respective areas which are an integral part of Unilode’s value proposition towards its full-service leasing customers.”

“In terms of information the tag provides location, shock, movement detection and temperature information. Digitalisation also enables us to offer new digital services for our customers,” Marino added.

These are services around tracking and tracing of cargo that airlines can offer to their customers. Another example is ULD management functionalities for ground handlers to locate ULDs, automate SCM messages or handle on-loan management via an app.



# Building a bridge between

While the African and Asian airfreight markets have been through a tumultuous period in recent years, Astral Aviation is optimistic as ever about the evolving dynamics and opportunities in the two regions.

Similar to the rest of the world, the airfreight market in Africa has experienced a series of challenges and shocks in 2022/23, whether that be excess capacity, lower volumes or declining yields.

Notably, South Africa and Nigeria, the two largest economies in Africa, have faced hurdles due to weak currencies and economic problems. South Africa struggled with electricity crises, while Nigeria grappled with election-related issues affecting air imports.

Additionally, Kenya's perishables market experienced a decline due to reduced demand in Europe and a shift towards sea freight.

Looking internationally, airfreight from China to Africa also suffered from post-COVID-19 recovery delays.

"Pre-Covid, the airfreight market from China – Africa was the fastest growing lane, however due to the late resumption of economic activities post-Covid in China, the airfreight market reduced to its lowest levels in 2022/3," Astral Aviation CEO Sandeep Gadhia stated.

## The ideal bridge

Examining the opportunities out there, Gadhia explained how "Hong Kong is the leading air-exporter of mobile phones and e-commerce into Africa with limited direct-capacity, hence most of the air-freight is routed via the Middle Eastern hubs."

While currently most cargo is moved between Africa and Asia via sea freight, Astral

"The opportunities from China will be for e-commerce, mobile phones, consumer

“

We expect the airfreight market to and within Africa to recover in 2024

Aviation sees the potential of those in the airfreight sector to create a swifter, stronger connection between the two regions.

"In addition to Hong Kong, we will be setting up a consolidation hub in Guangzhou in 2024 due to the high number of African traders and forwarders who have established their presence and procurement in Guangzhou," he explained.

## Tapping into trade

East Asia and Southeast Asia regions of China and India are the largest trading partners for Africa, however trade between China – Africa in 2021/2 were at historical low levels due to the delays in the resumption of production post-Covid."

While trade volumes in 2023 have not recovered to pre-Covid levels, Astral Aviation expects the trade to increase in 2024 as China will be able to recover their lost market-share.

goods and project cargoes, while India will dominate in pharma (including the new Malaria Vaccine) and industrial cargoes," Gadhia highlighted.

It won't be without its challenges, as Gadhia warned that the "lack of outbound air cargoes from Africa to the APAC region result in higher operating costs due to the empty leg will be a major challenge, hence the limited direct freighter capacity from APAC into Africa."

## Crucial steps to connectivity

Investment in infrastructure is essential especially for specialised cargoes such as e-commerce which is often treated as general cargoes. e-commerce fulfillment warehouses need to be introduced at strategic airports to enable a fast-track process for such shipments to be connected on a door to door basis.

Investment is also needed in digitalising the





# en Africa and Asia

location in order to solve the problem of physical address for last mile delivery of e-commerce shipments.

“We have identified the B767-300F and B777-300ERF as potential wide-bodied fleet to meet the long-term demand from Africa – Asia,” Gadhia said.

“We plan to connect Guangzhou and Hong Kong with our Nairobi, Johannesburg and Lome hubs on the wide-bodied freighters and feed into the secondary destinations with our Boeing 757 and Embraer 190F (Astral is the launch operator for the E190F) thus offering access to over 50 online destinations within Africa which will make it the largest air cargo network in the continent.”

Partnerships remain very important for Astral as it has over 40 active partnerships with all the leading airlines in the Middle East, Asia, Africa and Europe, with plans to expand this to over 60 by 2024.

“The partnerships are based on bilateral agreements, ensuring win-win for both airlines and a better value-proposition for our respective clients,” Gadhia added.

### Positive outlook

Looking ahead to 2024, Gadhia expects the African airfreight market to recover, particularly in Nigeria and South Africa, anticipating increased exports of perishable goods from East Africa to the Middle East and Europe and gradual growth in airfreight volumes within Africa.

“We expect the airfreight market to and within Africa to recover in 2024,” Gadhia explained. “Airfreight volumes within Africa will increase gradually following the promulgation of the African Continental Free Trade Area which will result in the largest free trade area in the world which will enable African countries to trade more actively than before,” Gadhia said.



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# Asia's airfreight market embraces innovation

**W**ith a keen eye on the region's potential and challenges, Wiremind is positioning itself to meet the demands of the Asian market.

Ever since its entry into the air cargo segment over six years ago, Wiremind has actively engaged in discussions with a number of organisations based in the APAC region. Through these experiences, it became apparent that the Asian market is highly dynamic and rapidly evolving. This can be seen with the emergence of new manufacturing hubs in places like Vietnam, as well as the development of different cargo flows, such as the booming e-commerce sector and new intra-Asia trade routes. These factors reaffirm Wiremind's belief that air cargo will continue to play a crucial role in the region.

## Active presence

Wiremind has a number of active customers in the region, such as Asia-Pacific based carriers or global customers. Furthermore, to help it grow its presence in the region, the company has a member of team based in Hong Kong, Guillermo Medina Moralejo, who leads its business development.

"The scale and dynamism of Asia as a market presents the key opportunity for all stakeholders in air cargo," Guillermo Medina Moralejo, VP Business Development at Wiremind Cargo said. "With rapidly growing economies and growing middle classes with more affluent consumption patterns, this should also mean greater demand for air cargo services."

"Announcements such as the record aircraft orders by Asian carriers demonstrate the confidence in the aviation sector overall and we are

confident this will similarly apply to the technology sector as carriers seek to scale their operations and capitalise on this demand by using the latest digital technologies," Medina Moralejo added.

In the past, one challenge may have been that air cargo players in the region have been slightly slower or more reluctant to adopt the latest digital tools. This may be explained in part by some of the unique characteristics and processes of the air cargo market in Asia, but Wiremind is certainly seeing this change rapidly.

"For us, some of the most interesting feedback and subsequent product enhancements we developed have come from carriers based here. We are also seeing greater traction with carriers in the region as they progress from exploratory discussions to more concrete action plans and investments in their digital capabilities," Medina Moralejo said.

## Pivotal partnerships

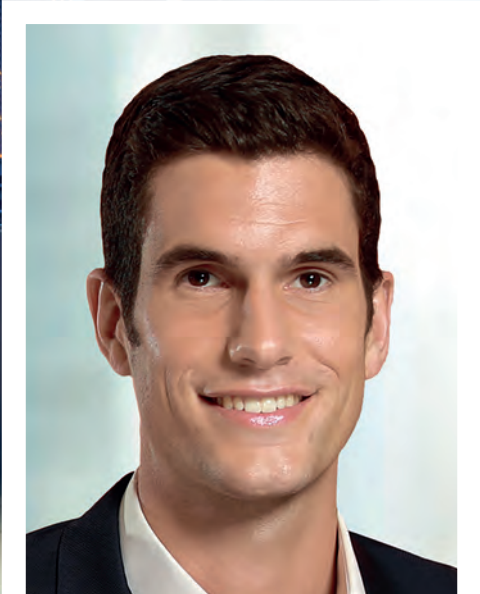
Wiremind has cultivated strong relationships with its customers, industry partners, and external stakeholders, all groups that have played a pivotal role in the organisation's growth and success.

"Whether this stems from our affiliation with CargoTech or the ability to count on the likes of Qatar Airways Cargo as customers, we believe that it helps position Wiremind as a trusted partner to any air cargo organization," Medina Moralejo explained.

"Moreover, our newly established academic and career partnerships not only facilitate cutting-edge research for product development but also allow us to give back to the academic communities that are the foundation of our organisation."

Mobile connectivity and smartphone penetration have unleashed





# market ation

a wave of digital applications across ecommerce, payments and many other consumer services. This has had a direct impact on the air freight and logistics industry, as evidenced by the growing significance of ecommerce movements in the region and the specific demands associated with these services.

Additionally, Wiremind believes that the widespread use of digital solutions in the consumer space is also influencing the B2B landscape, setting new expectations for air freight and necessitating the implementation of appropriate systems to support these changes.

“We understand that being a part of the supply chain means being interconnected with multiple external parties,” Medina Moralejo stated. “That’s part of the reason why we have developed our CARGOSTACK suite of solutions with an ‘API-native’ architecture at its core.”

“Each module is designed bottom-up using APIs to ensure that commands and actions can be easily triggered programmatically, thus enabling seamless integrations with external systems.”

### Engaging with emerging markets

Coming off the back of some extraordinary years for air freight during the pandemic, the general sentiment entering 2023 was for a more normalised year. This appears to have materialised in terms of the volumes and rates observed in the market, but it is always important to remember the historical context against which companies benchmark performance.

“In our sector specifically, we see that the digital acceleration that emerged through the pandemic has continued with a strong momentum through 2023 with airlines continuing those investments and digital transformation strategies,” Medina Moralejo highlighted.

“As we head into 2024, we are pleased to see that airlines continue to recognize the importance of cargo as a vital part of their business,” Medina Moralejo continued.

In light of this, airlines are continuing to make strategic decisions with a long-term perspective on the role cargo will play in their business. Underpinning all these is a recognition that the correct digital foundation and tools need to be in place to support future operating models.

“We believe digital booking channels are likely to become more prevalent across Asia as airlines look to improve their distribution offering,” Medina Moralejo said. “To support this, carriers are increasingly faced with the question of whether their core cargo management system is fit for purpose to support the strains of external connectivity, which legacy technologies may not be able to.”

“Another intriguing development is the emergence of interest in transformative technologies from non-airline stakeholders such as ground handling agents and freight forwarders. Based on our discussions, these stakeholders are also planning their own digital transformation roadmaps and searching for ways to optimise their operations, which we are collaboratively looking to build appropriate solutions for.”

air cargo Southeast Asia will be one of the first major air cargo events in Asia since the region has fully opened up post-pandemic. This will give Wiremind a great opportunity to reconnect with customers and partners as well as meet newer members of the air cargo community from the region that have emerged more recently.

“We will be part of the CargoTech booth alongside our fellow member companies and we look forward to welcoming all attendees at our booth,” Medina Moralejo said.



# Capitalising on the Sou

**T**AM Group is positioning itself for robust growth in Southeast Asia as the region's aviation industry stages a remarkable recovery.

Driven by the strategic locations of Bangkok, Ho Chi Minh City, and Hanoi, TAM Group aims to embrace emerging opportunities and bridge the gap between the region and the rest of the world.

"We had been keen to expand in the Southeast Asia region, however, with the pandemic, the expansion plan was stalled," Dr Wing Kun Tam, Founder and Chairman of Tam Group explained.

"With a return to normalcy in the region's aviation industry since mid-2022, we resumed our focus in the region." Dr Tam highlighted the rapid recovery of Southeast Asia's aviation sector, fuelled by growing global and regional free trade agreements, making the region a promising hub for future growth.

## Regional role

Dr Tam emphasised the pivotal role of e-commerce in the region's development. "With online businesses and consumers requesting fast deliveries, operating models had to evolve to speed up transportation, and air freight is naturally suited for this logistic challenge."

"The E-commerce industry also has ballooned in Southeast Asia over the past 12 months and poses immense possibilities," he added.

TAM Group is strategically positioned to capitalise on the rapid growth of the e-commerce industry in China and Southeast Asia.

"One of the key opportunities lies in the e-commerce industry,

which, has been growing rapidly since the pandemic. According to experts' forecasts, global e-commerce sales growth is set to continue, and at a relatively steady pace, and is expected to grow by 9.4% in 2024, 8.6% in 2025, and 8.6% in 2026, which will bring total e-commerce sales to \$7.5 trillion," Dr Tam continued.

## Airfreight fluctuations

Discussing challenges and opportunities in the aviation recovery phase, Dr Tam acknowledged the decrease in cargo demand but noted that this could make air freight a more viable option in 2023.

"We have already noticed a soft start in 2023 with a considerable drop in YoY demand in H1 of 2023. Additionally, the rapid resumption of passenger flights implying increased available capacity has already posed challenging business conditions at the very beginning of the year," Dr Tam explained.

"While the Cargo yields are witnessing a significant drop compared to the pandemic times, it still remains well above the pre-Covid levels. This drop compared to the pandemic times is expected as the yields escalated substantially over the last 3 years, beyond 'normal' levels."

While challenges such as the Russia-Ukraine conflict and global economic factors persist, TAM Group remains confident of a swift recovery by H1 2024.

"External factors e.g. the ongoing Russia-Ukraine conflict, the global economic situation, a decrease in consumer demand and labour shortages in several countries are presenting headwinds to air cargo, and there does not seem to be any respite in the short term,"





# theast Asia's recovery

Dr Tam continued.

## AI advancements

TAM Group's commitment to innovation and technological advancement is a central theme of their operations.

Dr Wing Kun Tam also highlighted their digital journey, emphasising the importance of paperless systems, real-time tracking, integrated platforms, and AI in enhancing operational efficiency and supply chain resilience.

"To facilitate the same, the industry had been embracing the technology rapidly. Paperless systems, Real-time tracking, integrated platforms and AI are the key drivers toward providing operational efficiency, and accurate and near real-time visibility of forecasts, orders, shipments, inventory, and locations to improve business performance," Dr Tam explained.

"We had embarked on this digital journey for more than 2 years now with a desiccated setup as we believe automation and adoption of digital processes is the only way forward not only to modernize the processes but also to build resilience in the industry."

## Sustainable supply chain

On the sustainability front, Dr. Tam underscored TAM Group's efforts to minimise resource usage and improve cargo management processes. He expressed the company's focus on building a resilient supply chain and contributing positively to the economies of the countries they operate in.

"To thrive in the fast-changing world of cargo, and, be prepared for

further expansion, we are treating capability building as our key strategy. We are working on 'purposeful investments' in people," Dr Tam said.

"This includes investing in the right set of talents as well as ensuring the well-being of existing team members and working on individual growth, and most importantly identify and develop future leaders."

## Enhancement and expansion

As TAM Group expands its presence in Southeast Asia, Dr. Tam stressed the importance of collaboration and partnerships. "We decided to partner with very established and formidable partners in each country, ensuring we capitalise on their specific market and cultural know-how." This approach ensures the company's sustainability and success amidst the diverse challenges of the region.

Looking ahead, TAM Group aims to maintain its leadership position in the GSSA market by enhancing organisational structure and prioritising exceptional service delivery. Dr. Tam reiterated the company's commitment to being flexible and adaptable, while also investing in capabilities and talents to achieve its expansion goals.

"South East Asia is one of the world's fastest-growing logistics markets and is fast emerging as an important sourcing origin for retailers and consumer goods brands, with a number of key manufacturing units shifting their base to the region, since the pandemic," Dr Tam stated.

"With our strategic positioning in China and now in South East Asia, we are well-positioned to leverage the growth of e-commerce and the overall growth of the air freight industry in the region."

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